



McDonald
Vague

business recovery partners

EXCELLENT HOSPITALITY LIMITED (IN LIQUIDATION)

Liquidators' Second Report For the period from 2 August 2020 to 1 February 2021

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Excellent Hospitality Limited (in Liquidation) ("the company") on 02 August 2020.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report(s). This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

There were no assets to be realized on appointment of liquidators.

The company had ceased trading in August 2019 following a notice from the landlord to surrender the lease. The business was unable to be sold as a going concern. As a result, assets were realized piecemeal and for minimal value. Some assets were surrendered to the landlord and some assets were abandoned or dumped due to age/quality and value. The director received advice from a reputable auction house that the cost of realization would not outweigh the costs involved. Since closure of business, the directors have sought to personally honour company debts including a large sum due on the lease. The management of company debts became unmanageable and liquidation was advanced.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators consider the original purchase price of the business was overstated. The impact of construction works at the mall also impacted the business.

All company assets in the asset schedule have been accounted for. Some assets were recovered by the landlord in reduction of rent arrears following the lease termination.

The liquidators consider the landlord was not entitled to these assets since they were subject to a general security. The pursuit of the assets recovered by the landlord following the exit by the tenant however was deemed to not be a worthwhile exercise due to cost/benefit. The secured creditor decided to consider a restructure of the debt obligation in any case – this was finalised in January 2021.

The proceeds from realisation of assets not recovered by the landlord were absorbed in exit, cleanup and cartage costs.

There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors. The shareholders introduced significant sums to the business and were also creditors. The loss to creditors arose from the inability to sell the business as a going concern.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

The bank did not file a claim. The debt was restructured into a personal obligation.

5.2 *Preferential Creditors*

The Inland Revenue filed a preferential claim for \$124,023.

5.3 *Unsecured Creditors*

As at the date of preparing this report one unsecured creditor claim form has been received which totals \$178,793. Other creditors have elected to not file claims. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims.

7 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the preferential creditors. The liquidator does not anticipate paying a distribution to the preferential or unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completion of the liquidation

9 ESTIMATED DATE OF COMPLETION

The Liquidators believe the liquidation may be concluded within one month.

10 CONTACT DETAILS

Enquiries should be directed to Peri Finnigan on DDI +64 (9) 303 9519 or by email to PFinnigan@mvp.co.nz.

The Liquidators can be contacted at:

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Peri M Finnigan
LIQUIDATOR (Licence No: IP17)

Dated this 2nd day of February 2021

Realisations and Distributions

Excellent Hospitality Limited (In Liquidation) 2 August 2020 to 1 February 2021

| Realisations | As Per Statement of Affairs \$ | Cash Received \$ |
|-------------------------------|--------------------------------------|------------------------|
| Bank Account closure | - | - |
| Interest | - | - |
| Pre liquidation GST Refund | - | - |
| Asset Realisations | - | - |
| Total Realisations | | \$NIL |
| | | |
| Payments | | |
| Liquidators Fees | | |
| Liquidators Fees | | NIL |
| Disbursements | | NIL |
| Total Liquidators Fees | | \$NIL |
| | | |
| Total Payments | | \$NIL |
| | | |
| BALANCE HELD | | \$NIL |

Note: the above figures are GST exclusive
An upfront fee was paid of \$3.800 which included the
advertising costs estimated at \$800.